

FINANCE COMMITTEE

11-0347R

RESOLUTION AMENDING RESOLUTION 09-0417R INCREASING THE AVAILABLE LINE OF CREDIT FROM \$2,000,000 TO \$4,000,000 AS NEEDED FOR BOTH OPERATIONS AND THE NEW AIRPORT TERMINAL CONSTRUCTION PROJECT.

CITY PROPOSAL:

RESOLVED, that Resolution 09-0417R be amended to increase the line of credit amount by \$2,000,000 for a new line of credit total of \$4,000,000. The line of credit shall be available for use as needed for operations and construction of the new airport terminal project. Interest at a rate of 4.00 percent per annum shall be charged on drawn funds. The city treasurer shall determine the forms, procedures and supporting documentation that will be required to draw on the line of credit. Such transactions shall be subject to audit and public disclosures.

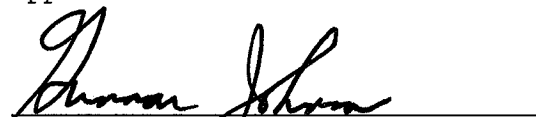
Approved:


Department Director


Approved for presentation to council:


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

Finance AH:rb 06/21/2011

STATEMENT OF PURPOSE: This resolution amends Resolution 09-0417, which was passed on June 6, 2009, increasing the line of credit by \$2,000,000 for a new total of \$4,000,000. Also amended is the ability to access the line of credit, as needed, for operating cash flow needs. It is anticipated that the line of credit will be drawn and repaid as construction draw requests are made and reimbursements received on a periodic basis from the FAA, State of Minnesota and other funding sources. Extending the line of credit for operations is needed due to the potential impact of a state shut down on July 1, 2011, which may delay the payment of state aids. The line of credit authority will expire upon completion of the project or earlier at the mutual agreement of the parties.